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INFO OCT-00 ADS-00 AID-07 INR-10 SS-15 CIAE-00 EB-00
DOGE-00 N-01 NEA-06 NSCE-00 NSAE-00 COME-00 SSO-00
NA-06 LAB-04 TRSE-00 PM-03 OPIC-07 PA-01 CEA-01
OMB-01 STK-10 STC-01 INXE-00 SMS-01 FRB-03 XMB-02
AGR-01 ICAE-00 DEPA-01 OF STA/E A/CDC/MR

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BEA:NVELIOTES AF:VANDERK

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I THEREFORE FELT THAT MY DECISION SHOULD BE MADE ONLY WHEN IT WAS CLEAR THAT THE SOVIETS AND OTHER NATIONS WOULD NOT MISTAKENLY THINK IT INDICATED A WEAKENING OF OUR POSITION.

I HAVE DETERMINED THAT OUR POSITION NOW CANNOT BE MISTAKEN: THE UNITED STATES, ALONG WITH THE VAST MAJORITY OF NATIONS, WAS CONDEMNED AND REMAINS OPPOSED TO THE SOVIET OCCUPATION OF AFGHANISTAN AND OTHER AGGRESSIVE ACTS AROUND THE WORLD.

WE WILL REACT STRONGLY TO ACTS OF AGGRESSION WHEREVER THEY TAKE PLACE. THERE WILL NEVER BE A WEAKENING OF THIS RESOLVE.

2. IN DISCUSSING THIS DECISION, YOU SHOULD DRAW ON THE FOLLOWING GUIDANCE AS APPROPRIATE, IN COORDINATION WITH PA'S AND IO'S.

3. REASON FOR DECISION:

-- BEFORE TAKING OFFICE THE PRESIDENT UNDERTOOK A COMMITMENT TO LIFT THE GRAINS EMBARGO WHICH WAS A LEGACY FROM THE PREVIOUS ADMINISTRATION. IT HAS BEEN HIS CONCERN THAT THE EMBARGO WAS IMPOSING AN UNFAIR BURDEN ON THE U.S. FARMER AND THAT THE EMBARGO WAS NOT EFFECTIVE. THUS BY LIFTING THE EMBARGO THE PRESIDENT IS FULFILLING HIS PLEDGE TO THE AMERICAN PEOPLE.

-- THE PRESIDENT DELAYED ACTION UNTIL NOW TO ALLOW HIM TO COMPLETE HIS REVIEW OF THE EMBARGO POLICY AND BECAUSE HE BELIEVED THAT AN IMMEDIATE TERMINATION OF THE EMBARGO WOULD BE MISINTERPRETED BY THE SOVIET UNION.

4. EFFECT ON AFGHANISTAN POLICY:

-- THE DECISION TO LIFT THE GRAINS EMBARGO DOES NOT INDICATE ANY CHANGE IN THE OPPOSITION OF THE U.S. TO THE SOVIET INVASION OF AFGHANISTAN OR THE ACCEPTANCE OF THE STATUS QUO THERE. WE WILL PERSEVERE IN OUR EFFORTS TO ACHIEVE A POLITICAL SETTLEMENT PREDICATED UPON THE WITHDRAWAL OF SOVIET TROOPS.

--THE PRESIDENT'S DECISION COVERS ONLY THE LIFTING OF THE PARTIAL EMBARGO ON AGRICULTURAL GOODS AND THE RELATED EMBARGO ON PHOSPHATES. OTHER AFGHAN-RELATED SANCTION MEASURES REMAIN IN PLACE.

5. POLAND:

--OUR LIFTING OF THE EMBARGO SHOULD NOT BE SEEN AS A "REWARD" FOR SOVIET GOOD BEHAVIOR, I.E., NOR "INTERVENTION IN POLAND. THE PRESIDENT HAD EXPRESSED HIS COMMITMENT TO LIFT THE EMBARGO MANY MONTHS AGO.

--OUR POSITION ON THE SITUATION IN POLAND IS UNCHANGED. WE RECOGNIZE THAT THE PROBLEMS FACING POLAND REMAIN SERIOUS, AND WE BELIEVE THAT THE POLISH GOVERNMENT AND PEOPLE CAN AND SHOULD BE ALLOWED TO RESOLVE THESE PROBLEMS WITHOUT OUTSIDE INTERFERENCE OF ANY KIND.

--WE RECOGNIZE THE CONTINUING HIGH STATE OF READINESS OF SOVIET FORCES IN AND AROUND POLAND AND THEIR CAPABILITY TO MOVE ON SHORT NOTICE.

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E.O. 12065: N/A

TAGS: EAGR, EENT, EPAP, UR

SUBJECT: PRESIDENTIAL DECISION TO LIFT THE PARTIAL GRAINS EMBARGO

1. AT 1200 LOCAL TIME, APRIL 24, THE WHITE HOUSE ANNOUNCED THE PRESIDENT'S DECISION TO LIFT THE PARTIAL GRAINS EMBARGO. TEXT FOLLOWS:

I AM TODAY LIFTING THE U.S. LIMITATION ON ADDITIONAL AGRICULTURAL SALES TO THE SOVIET UNION AS I PROMISED TO DO DURING LAST YEAR'S PRESIDENTIAL CAMPAIGN.

MY ADMINISTRATION HAS MADE A FULL AND COMPLETE STUDY OF THIS SALES LIMITATION, AND I REACHED MY DECISION AFTER WEIGHING ALL OPTIONS CAREFULLY AND CONFERRING FULLY WITH MY ADVISERS, INCLUDING MEMBERS OF THE CABINET AND THE NATIONAL SECURITY COUNCIL.

WE HAVE ALSO BEEN CONSULTING WITH OUR ALLIES ON THIS MATTER.

AS A PRESIDENTIAL CANDIDATE, I INDICATED MY OPPOSITION TO THE CURB ON SALES BECAUSE AMERICAN FARMERS HAD BEEN UNFAIRLY SINGLED OUT TO BEAR THE BURDEN OF THIS INEFFECTIVE NATIONAL POLICY.

I ALSO PLEDGED THAT WHEN ELECTED PRESIDENT I WOULD "FULLY ASSESS OUR NATIONAL SECURITY, FOREIGN POLICY AND AGRICULTURAL NEEDS TO DETERMINE HOW BEST TO TERMINATE" THE DECISION MADE BY MY PREDECESSOR.

THIS ASSESSMENT BEGAN AS SOON AS I ENTERED OFFICE AND WAS CONTINUED UNTIL NOW.

IN THE FIRST WEEKS OF MY PRESIDENCY I DECIDED THAT AN IMMEDIATE LIFTING OF THE SALES LIMITATION COULD BE MISINTERPRETED BY THE SOVIET UNION.

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--THE LIFTING OF THE EMBARGO DOES NOT CHANGE THE FACT THAT SOVIET INTERVENTION IN POLAND WOULD EVOKE A PROFOUND AND LASTING RESPONSE FROM THE US THAT WOULD JEOPARDIZE THE ENTIRE RANGE OF U.S.-SOVIET RELATIONS.

6. U.S. POSTURE TOWARD THE SOVIET UNION:

--THE LIFTING OF THE EMBARGO SHOULD NOT BE INTERPRETED AS A WEAKENING OF OUR POSITION TOWARDS THE SOVIET

UNION. DURING ITS TERM IN OFFICE, THE REAGAN ADMINISTRATION HAS COMMUNICATED CLEARLY TO THE SOVIET UNION THAT WE WILL RESIST SOVIET AGGRESSION AND INSIST ON SOVIET RESTRAINT.

--THE USSR SHOULD BE UNDER NO ILLUSION THAT AGGRESSIVE BEHAVIOR IN POLAND OR ELSEWHERE WILL MEET WITH ANYTHING BUT THE MOST PROMPT, FIRM AND UNIFIED RESPONSE.

--THIS ADMINISTRATION HAS TAKEN AND IS TAKING CONCRETE STEPS TO ENABLE THE U.S. AND ITS ALLIES TO DETER SOVIET THREATS TO OUR INTERESTS AND TO RESPOND TO CHALLENGES SHOULD THEY ARISE.

7. US-SOVIET GRAIN TRADE:

--IN ACCORDANCE WITH ARTICLE VI OF THE EXISTING GRAINS AGREEMENT, ADDITIONAL SALES OF CORN AND WHEAT FOR THIS FISCAL YEAR WOULD BE DETERMINED THROUGH CONSULTATIONS WITH THE SOVIETS, SHOULD THE SOVIETS DESIRE ADDITIONAL PURCHASES.

--DECISIONS ON A NEW LONG-TERM GRAINS AGREEMENT WITH THE SOVIETS HAVE NOT YET BEEN MADE.

8. EFFECT ON OTHER US-SOVIET TRADE ISSUES:

--THE LIFTING OF THE EMBARGO SHOULD NOT BE TAKEN AS AN INDICATION OF THE ADMINISTRATION'S FUTURE TRADE POLICY TOWARD THE SOVIET UNION OR ANY OTHER ASPECT OF EAST-WEST ECONOMIC RELATIONS. THE ADMINISTRATION'S STUDY OF US-SOVIET TRADE POLICY AND EAST-WEST RELATIONS HAS NOT YET BEEN COMPLETED.

--THE POLICY TOWARD TRADE IN NON-AGRICULTURAL GOODS HAS NOT BEEN CHANGED. AS IN THE PAST, EXPORT LICENSES FOR OTHER GOODS AND EQUIPMENT WILL BE REVIEWED AS NECESSARY ON A CASE-BY-CASE BASIS.

--THE LIFTING OF THE EMBARGO DOES NOT SIGNAL OUR ENDORSEMENT OF THE PROPOSED SIBERIAN GAS PIPELINE PROJECT. WE CONTINUE TO BE CONCERNED ABOUT THE STRATEGIC IMPLICATIONS OF THIS PROJECT. THESE IMPLICATIONS ARE BEING CONSIDERED IN THE CONTEXT OF THE ADMINISTRATION'S CURRENT REVIEW OF EAST-WEST ECONOMIC RELATIONS.

9. ALLIES:

--FRIENDLY COUNTRIES WHICH WERE PRINCIPALLY CONCERNED WERE CONSULTED IN ADVANCE OF THE PRESIDENT'S ANNOUNCEMENT TO LIFT THE EMBARGO.

--WE DO NOT BELIEVE THAT LIFTING THE EMBARGO WILL AFFECT ALLIED READINESS TO COOPERATE WITH US IN RESTRAINING SOVIET INTERNATIONAL BEHAVIOR AND ENHANCING WESTERN DEFENSE POSTURE.

10. THE SECRETARY'S SUPPORT OF THE DECISION:

--SECRETARY HAIG FULLY SUPPORTS THE PRESIDENT'S DECISION.

--HE HAS CONSISTENTLY AGREED WITH THE PRESIDENT THAT THE EMBARGO WAS IMPOSING AN UNFAIR BURDEN ON THE U.S. FARMER. HIS CONCERN WAS ONLY THAT THE DECISION NOT SEND A WRONG SIGNAL CONCERNING OUR FOREIGN POLICY POSTURE TOWARD THE USSR.

11. MINIMIZE CONSIDERED, HAIG

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